



PSC NEWS

Missouri Public Service Commission

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PSC APPROVES AGREEMENT IN CITIZENS ELECTRIC RATE CASE

Jefferson City (June 19, 2002)---The Missouri Public Service Commission has approved an agreement which authorizes Citizens Electric Corporation to increase current electric revenues by approximately \$1.6 million. This is in addition to an interim rate increase of \$4.6 million granted to the electric company in January of this year. Interim rates have been in effect while the permanent rate case was before the Commission. The total effect of the permanent and interim rate cases is a total increase of approximately \$6.2 million in annual electric revenues. **This rate case was the first general rate increase for Citizens Electric Corporation in approximately 20 years.**

For a residential customer using 1,000 kwh (kilowatt-hours) a month, electric rates will go up by \$3.70 above the current electric rates set in January under the interim filing. The total effect of the \$6.2 million increase is \$11.21 a month for a residential customer using 1,000 kilowatt-hours a month. Customers will notice this electric rate increase starting with their November 2002 bills.

This rate increase primarily reflects the increased costs of a new purchased power contract which took effect on January 1, 2002. Citizens does not generate any power. It purchases all of its power under contracts in the wholesale energy market. Late last year, Citizens completed negotiations for a new purchased power agreement which will increase the costs of its wholesale power by 15 percent beginning January 1, 2002.

The agreement approved by the Commission was submitted by the Office of the Public Counsel, the Staff of the Missouri Public Service Commission, Mississippi Lime Company and Citizens Electric Corporation. The agreement was reached as a result of extensive negotiations conducted by the above parties.

The Commission's order approving the agreement states: "The Commission has reviewed the verified application, the unanimous agreement, Staff's (PSC Staff) suggestions in support of the

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agreement, and the sworn testimony presented at the stipulation hearing. The Commission finds that in its totality, the agreement is reasonable in that it provides for just and reasonable rates.”

Citizens Electric Corporation serves approximately 24,330 electric customers in the Missouri counties of Ste. Genevieve, St. Francois, Cape Girardeau and Perry.

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Case No. ER-2002-217